

Congress of the United States
House of Representatives
Washington, DC 20515-4608

April 6, 2020

The Honorable Steven T. Mnuchin
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Secretary Mnuchin:

I am writing to urge the administration to move quickly to provide clear guidance to small businesses and lenders to facilitate swift and successful implementation of the Paycheck Protection Program (PPP), a key element of the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act.

We all share a common goal which is to ensure loans from the \$350 billion program get out the door quickly so that small businesses are able to retain or rehire their employees and cover their rent and utilities. This is a case where speed really does matter.

As a Member of Congress and former small-business owner, I have received many calls from small firms and nonprofits, who are in desperate need of PPP funds but express frustration over the slow process, confusing information and roadblocks.

For example, because guidance wasn't released until late last Thursday April 2, many banks and large institutions did not launch their programs by the Friday deadline.ⁱ Others would lend only to those with an existing relationship with the bank.ⁱⁱ And some banks have told small businesses that they had already run out of money to lend and did not have the capacity to meet the widespread demand.

Small changes could go a long way. For example, data stamps on Treasury guidance and bulletins are needed so that businesses know which document is the operative document. Updating the Treasury website with the latest guidance will help small firms access the latest information quickly and efficiently.

There are bigger questions around eligibility. I have heard reports that both 2019 and the last 12 months are in play when determining loan size. Which is correct?

Similarly, there is confusion about what constitutes “significant economic damage” from COVID-19. Finally, Treasury’s rules require that 75 percent of loans go to cover payroll costs, but this limits assistance for businesses that have a substantial share of costs tied up in rent and utilities. These are critical issues that need to be addressed and clarified quickly.

As a former small-business owner, I worked hard to ensure that the Paycheck Protection Program provides small firms and their employees access to the financial assistance they need to weather this storm. If implemented and administered well, the PPP can play a major role in meeting that challenge.

I look forward to working you on this and other related issues as we work to limit the spread of COVID-19 and contain the economic damage caused by the virus. Thank you for your prompt attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Don Beyer", with a stylized flourish at the end.

DON BEYER

Vice Chair, Joint Economic Committee

ⁱ Trish Turner and Sarah Kolinovsky. April 3, 2020. “On first day, small business loan application process plagued with problems.” *ABC News*. <https://abcnews.go.com/Politics/day-small-business-loan-application-process-plagued-problems/story?id=69965976>

ⁱⁱ Jordan Weissmann. April 5, 2020. “Meet Rocco. He Owns a Dairy Queen. The Government’s Flawed Coronavirus Plan Might Not Save It.” *Slate*. <https://slate.com/business/2020/04/cares-act-small-businesses-paycheck-protection-program-coronavirus.html>